

The Hong Kong Institute of Human Resource Management (HKIHRM) regularly conducts surveys among members in order to keep HR professionals abreast of the latest trends in the labour market and HR practices in Hong Kong. The following are key findings of some of HKIHRM's recent survey projects, covering manpower trends and pay adjustments.

## Manpower Trends in Hong Kong

The local economy continues to flourish, employee turnover and job vacancy rates both showed an upward trend, reflecting a more active labour market.

### Staff Turnover Rates

According to the *Quarterly Survey on Manpower Statistics (First Quarter 2011)*, the overall turnover rate for the first quarter of 2011 was 3.5%, 0.8 percentage points higher than the fourth quarter of 2010 (2.7%) and 0.96 percentage points higher than the first quarter of 2010 (2.54%) [Chart 1].

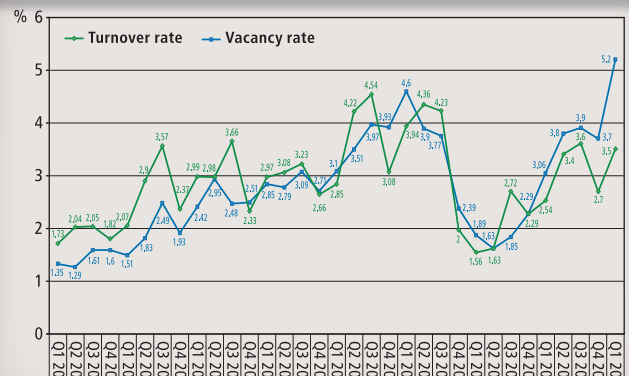
The community/ social/ personal services sector recorded the highest turnover (6.6%), followed by retail (6.3%) and financial services/ banking/ insurance (5.8%) [Chart 2]. In terms of employee level, the highest turnover rate was among the clerical/ frontline level (4.6%) [Chart 3].

### Job Vacancy Rates

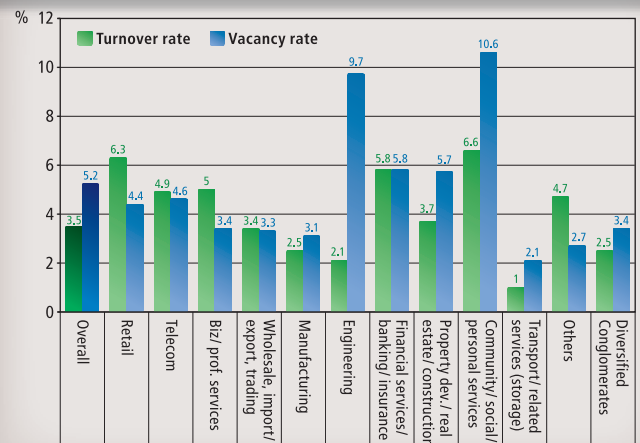
The overall job vacancy rate for the first quarter of 2011 was 5.2%, 1.5 percentage points higher than the fourth quarter of 2010 (3.7%) and 2.14 percentage points higher than the first quarter of 2010 (3.06%) [Chart 1].

The community/ social/ personal services sector recorded the highest vacancy rate (10.6%), followed by engineering (9.7%) and financial services/ banking/ insurance (5.8%) [Chart 2]. In terms of employee level, the highest vacancy rate was found in the clerical/ frontline level (5.9%) [Chart 3].

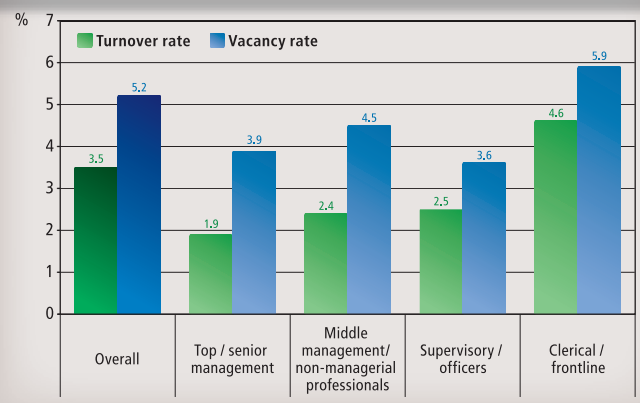
**Chart 1: Turnover and Vacancy Rates (First Quarter of 2003 – First Quarter of 2011)**



**Chart 2: Turnover and Vacancy Rates in the First Quarter of 2011 (by Business Sector)**



**Chart 3: Turnover and Vacancy Rates in the First Quarter of 2011 (by Employee Level)**



# HR Trends in Hong Kong – Manpower Statistics and Pay Adjustments

## 香港人力資源最新趨勢 – 人力數據及薪酬調整



### Position Growth/ Cut

The net growth in new positions during the first quarter of 2011 was 1.2%, 0.5 percentage points higher than the fourth quarter of 2010 (0.7%) and 0.36 percentage points higher than the first quarter of 2010 (0.84%) [Chart 4].

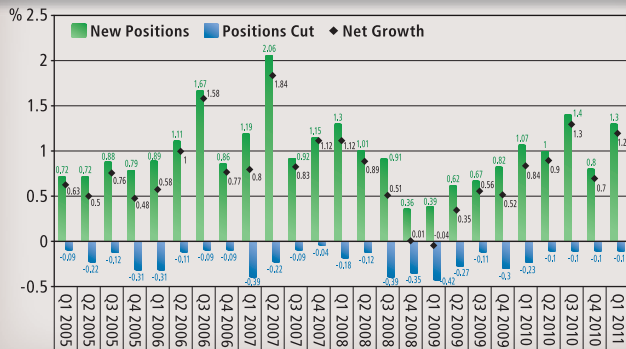
The highest net growth in job positions was recorded in manufacturing sector (2.9%), followed by business/ professional services (2.4%) and wholesale/ import & export/ trading and distribution (2.3%) [Chart 5]. In terms of employee level, the highest net growth was recorded in the middle management/ non-managerial professionals level (2.1%) [Chart 6].

### Absence Rates

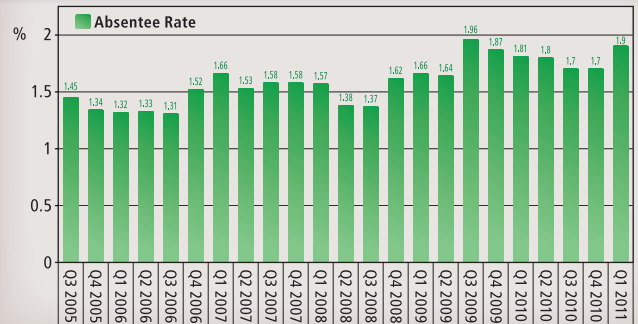
The absence rate in the first quarter of 2011 was 1.9%, 0.2 percentage points lower than the fourth quarter of 2010 (1.7%) [Chart 7]. "Absence" is defined as unscheduled absences of one or more than one day including sick leave (paid or unpaid), emergency leave and casual leave.

The community/ social/ personal services sector recorded the highest absence rate (4.4%), followed by engineering (2.6%) and transport/ services allied to transport (storage) (1.9%) [Chart 8]. In terms of employee level, the clerical/ frontline level recorded the highest absence rate (2.2%) [Chart 9].

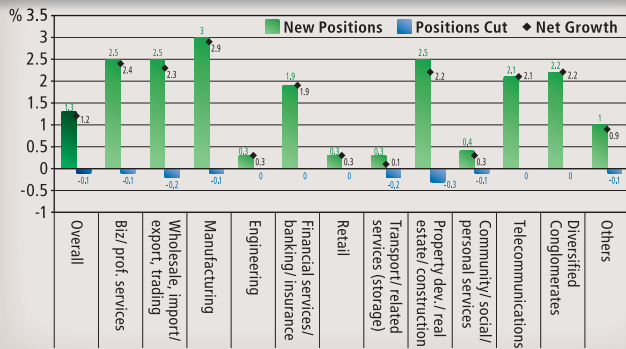
**Chart 4: Overall Growth of Positions (First Quarter of 2005 – First Quarter of 2011)**



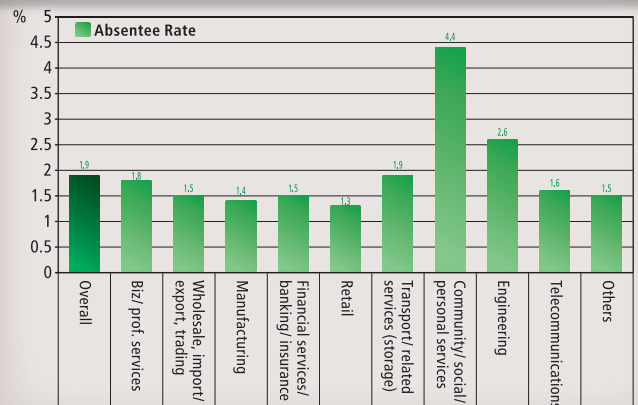
**Chart 7: Absence Rate (Third Quarter of 2005 – First Quarter of 2011)**



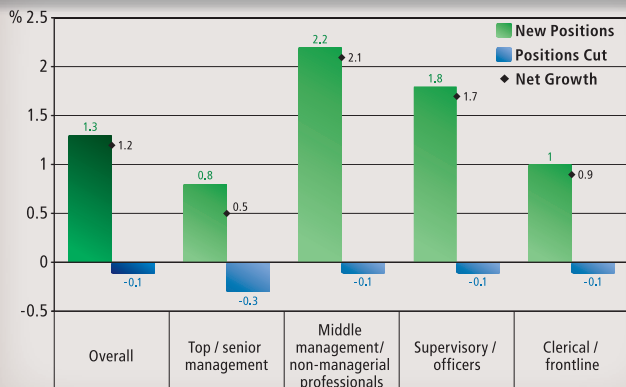
**Chart 5: Percentage of New Positions / Positions Cut in the First Quarter of 2011 (by Business Sector)**



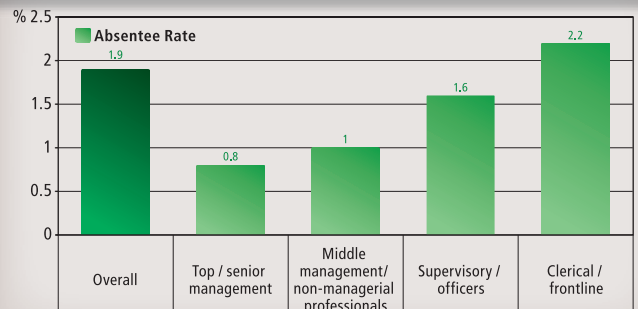
**Chart 8: Absence Rate in the First Quarter of 2011 (by Business Sector)**



**Chart 6: Percentage of New Positions / Positions Cut in the First Quarter of 2011 (by Employee Level)**



**Chart 9: Absence Rate in the First Quarter of 2011 (by Employee Level)**



## Pay Trends in Hong Kong

According to the latest trends tracked by the *HKIHRM January 2011 Hong Kong Pay Trend Survey*, positive sentiment in the first quarter of 2011 gave rise to a continuous upward adjustment in pay. Employers in general were more optimistic about the future business environment.

### Base Pay Adjustment in January 2011

The overall average pay adjustment recorded was 3.5% (weighted average), 1.8 percentage points higher than the figure recorded for the same period last year (1.7%). With a continued economic recovery, all companies surveyed offered a pay increase in January 2011 as compared to 93.3% in January 2010. No pay cut has been recorded for eight consecutive years [Chart 10].

By business sector (of those that provided sufficient data for analysis), companies offering relatively higher pay increases are found in the construction sector (4.5%), followed by manufacturing (4.3%) and shipping/ terminals (3.8%) sectors. No business sector recorded an overall pay freeze or reduction in January 2011.

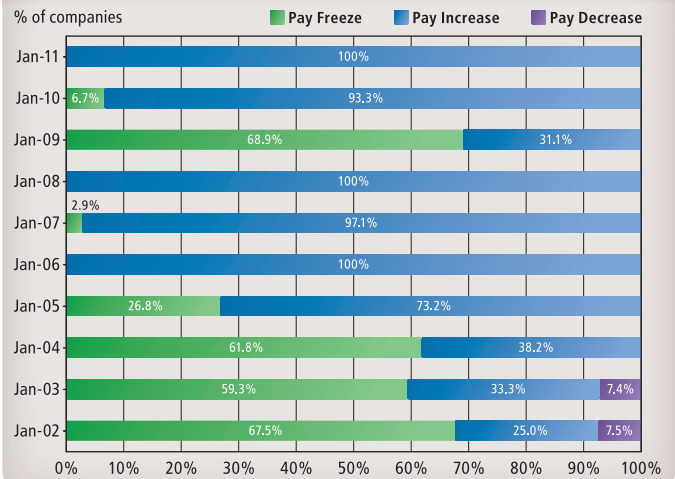
In terms of employee numbers, there was a further increase in January this year in the percentage of employees getting a positive adjustment in base pay. No employees faced a pay cut in January 2011 [Chart 11].

### Bonus Payment in January 2011

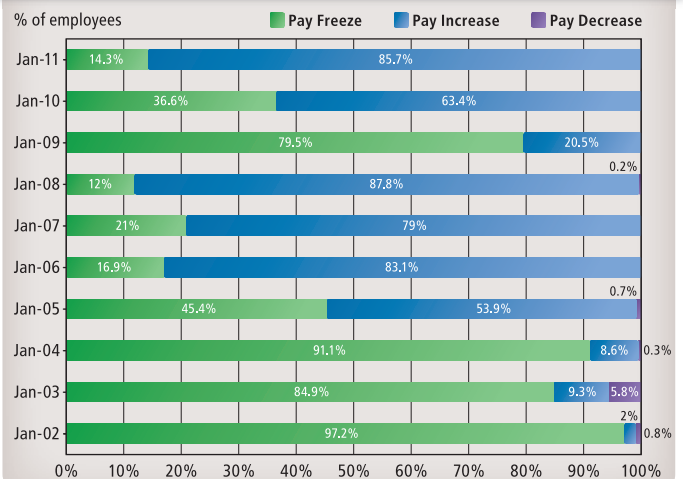
Of the 81 companies providing data on bonus payments, 36 companies have a guaranteed-bonus policy. No company made changes to its policy in 2011. This year, 36 companies awarded a guaranteed bonus to their employees, with the average bonus size being 1.01 months of base pay.

On the other hand, a total of 36 companies with a non-guaranteed bonus scheme confirmed a bonus payment during the survey period (January 2011). Of their eligible employees, 98.6% were awarded a non-guaranteed bonus, with the average bonus size being 1.23 months of pay. This compared with the 93.9% of eligible employees actually awarded a bonus of 1.17 months of pay in the same period in 2010.

**Chart 10: Comparison of Base Pay Adjustments – by Company (January 2002 – January 2011)**



**Chart 11: Comparison of Base Pay Adjustments – by Employees (January 2002 – January 2011)**



#### Remarks:

- Executive summaries of the *“Quarterly Survey on Manpower Statistics (First Quarter 2011)”* and *“January 2011 Hong Kong Pay Trend Survey”* are available in the Members’ Area of [www.hkihrm.org](http://www.hkihrm.org).
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